

**DEPARTMENT OF ADMINISTRATIVE SERVICES
INTERNAL POLICIES AND PROCEDURES**

Subj: INCENTIVE AWARDS

Date: May 31, 2002

Ref: DHRM Rule R477-6-5
FIHRMS 02-27.07

Purpose:

This policy establishes the parameters by which incentive awards may be awarded within the Department of Administrative Services. Incentive awards may be used to reward individuals or groups of employees who develop, implement and practice cost-savings measures or for other worthy acts.

Policy:

1. Each division within the Department of Administrative Services shall establish policy and procedure by which incentive awards are approved within that division. (See attached examples.) Directors have the latitude to establish a policy and procedure that fits the needs of their division. All division policies must include the department's sick leave incentive program as long as it continues to be authorized by the department.
2. Division directors may approve individual awards of \$500 or less. The executive director must approve awards in excess of \$500. Individual awards shall not exceed the parameters established by DHRM Rule R477-6-5.
3. With the exception of the sick leave incentive award, all incentive awards of \$100 or more must be documented, evaluated and approved per the guidelines established in division policies. A copy of the documentation shall be kept in the division's individual employee files.
4. Non-cash incentive award programs as defined in DHRM rules and Division of Finance policies will not be authorized in the department. However, administrative leave or certificates of achievement can be authorized by the division director. The executive director must approve awards of administrative leave in excess of two days.
5. When authorized by the executive director, the department will participate in a sick leave incentive program to reward employees who do not use sick leave. This program is only in effect during calendar years specifically authorized by the executive director. The amount of the award is \$50 per quarter up to a total of \$200 per calendar year. An additional \$50 will be paid to those employees who have not used sick leave in the entire calendar year, bringing the

maximum amount to \$250. The sick leave incentive award program is subject to the following provisions:

- a. This incentive program is subject to annual approval by a simple majority vote of the department's division directors with the concurrence of the executive director. The outcome of the vote will determine that either all divisions shall participate or that none may participate in the program.
 - b. Sick leave incentive awards shall be calculated at the end of pay periods 6, 13, 19 and 26. New employees are not eligible to receive an award for the quarter in which they are hired or the annual award.
 - c. Employees transferring to the department from other state departments will be eligible for the award for the entire year if they did not use sick leave in their previous position.
 - d. Employees working less than full time will be eligible for the award on a prorated basis calculated on their average hours worked per calendar year.
 - e. Employees must be in a position that receives benefits to be eligible for this award. Employees who work in positions without benefits and then become career-service employees, are not eligible for awards for the quarters in which they did not receive benefits or for the annual award.
 - f. Employees who use annual leave in lieu of sick leave will be eligible for this incentive program.
 - g. Employees cannot request leave adjustments at the end of the year in order to qualify for this award.
 - h. Payments will be made once per year, in January or February, after year-end leave usage reports have been reviewed. An employee must be employed by the department at the end of pay period 26 to be eligible to receive a sick leave incentive award.
6. The department has established an annual outstanding employee awards program. In March of each year, divisions select one employee as the recipient of their award. Award recipients receive a certificate during the annual DAS awards ceremony and a \$500 incentive award. The Division of Administrative Rules, Office of Debt Collection and the Executive Director's Office are considered one division for the purpose of this policy.
 7. With the exception of the sick leave incentive award, an employee must have received a successful or better performance appraisal in the last review period to be eligible for an incentive award.

SAMPLE POLICY NO. 1

Purpose:

To define the policy for incentive awards given to division employees.

Policy:

1. **On-the-Spot Awards**--the division encourages the use of small awards as part of an overall incentive program. Section managers have the discretion to give on-the-spot awards in \$5 dollar increments -- up to \$50 -- for any of the following reasons:

Meeting deadlines.
Customer service efforts.
Innovation.
Letters of commendation.
Making office improvements.
Cost savings.

The reason for the award shall be defined on the certificate given to the employee. Employees shall give the award to the division HR technician for processing. The division's HR technician shall provide the division director a monthly report of all on-the spot awards.

2. **Sick Leave Incentive Awards**-- when authorized by the executive director, the department will participate in a sick leave incentive program to reward employees who do not use sick leave. This program is only in effect during calendar years specifically authorized by the executive director. The incentive award shall be \$50 per quarter up to a total of \$200 per calendar year. An additional \$50 shall be paid to those employees who have used no sick leave in the entire calendar year. The maximum an employee may receive is \$250 per calendar year. Employees working less than full-time are eligible for awards at a prorated amount.

- a. Sick leave incentive awards shall be calculated at the end of pay periods 6, 13, 19 and 26. New employees are not eligible to receive an award for the quarter in which they are hired or the annual award.

- b. Employees transferring to the department from other state departments will be eligible for the award for the entire year if they did not use sick leave in their previous position.

- c. Employees working less than full time will be eligible for the award on a prorated basis calculated on their average hours worked per calendar year.

- d. Employees must be in a position that receives benefits to be eligible for this award.

Employees who work in positions without benefits and then become career-service employees, are not eligible for awards for the quarters in which they did not receive benefits or for the annual award.

e. Employees who use annual leave in lieu of sick leave will be eligible for this incentive program.

f. Employees cannot request leave adjustments at the end of the year in order to qualify for this award.

g. Payments will be made once per year, in January or February, after year-end leave usage reports have been reviewed. An employee must be employed by the department at the end of pay period 26 to be eligible to receive a sick leave incentive award.

3. **DAS Outstanding Employee Award**—the division will participate in the department's outstanding employee awards program. In March of each year, the division will select one employee as the recipient of their award. The award recipient receives a certificate during the annual DAS awards ceremony and a \$500 incentive award.

4. **Committee Awards**--a committee established by the division shall recommend approval of all awards between \$50 and \$500. Nominations can be made by supervisors or coworkers. Awards in excess of \$500 must be approved by the committee, division director and the department's executive director.

a. The Incentive Awards Committee shall consist of one employee from each section within the division. Section leaders will appoint the representatives. There will be a total of five committee members. The division director shall appoint one of the committee members to serve as the chairperson.

b. Each member of the committee shall serve a one-year term with replacements occurring on a staggered basis throughout the next year.

c. The committee shall meet on the last Thursday of each month. Changes to this schedule will be made at the discretion of the chairperson. There must be at least three committee members present in order to vote on awards.

d. The committee shall review each nomination and the justification provided and make recommendations to the division director. Recommendations for approval require a majority vote. The division director may then approve or deny the committee's recommendations or may refer the nomination back to the committee for further consideration.

e. If a member of the committee is nominated for an award, they shall disqualify themselves from the approval process.

- f. If there is a tie vote, the division director shall cast the deciding vote.
- g. All items discussed by the committee pertaining to incentive award nominations shall be confidential.

5. **Incentive Award Restrictions:**

- a. Employees must have a successful performance review in the last review period to be nominated for an incentive award.
- b. No more than one incentive award shall be granted to an employee in a fiscal year for the same act.
- c. The committee must approve or deny a nomination within three months. Committee members can request additional information be provided on any award.
- d. Individual awards shall not exceed the parameters established by DHRM Rule R477-6-5.
- e. Incentive awards shall not be granted to take the place of performance increases.
- f. The maximum number of nominees allowed on a team nominated for an incentive award shall not exceed 10 employees. The division director shall consider exceptions to this restriction on a case-by-case basis.

6. **Nomination Process:**

- a. Nominations for incentive awards may originate with the supervisor or coworkers of the recommended employee.
- b. Nominations must include a detailed justification for the recommended award.
- c. Nominations must be submitted to the Incentive Awards Committee chairperson at least one week prior to the monthly meeting. Untimely nominations will not be considered until the following month.
- d. If award nominations are rejected, the committee chairperson or division director shall provide written justification as to the rationale.

7. **Alternative Awards:**

The division director may authorize the following alternatives to cash awards:

- a. A maximum of two days of administrative leave.
- b. Certificates of achievement.

SAMPLE POLICY NO. 2

Purpose:

To define the policy for incentive awards given to division employees.

Policy:

1. **On-the-Spot Awards**--the division encourages the use of small awards as part of an overall incentive program. Section managers have the discretion to give on-the-spot awards in \$5 dollar increments -- up to \$50 -- for any of the following reasons:

Meeting deadlines.
Customer service efforts.
Innovation.
Letters of commendation.
Making office improvements.
Cost savings.

The reason for the award shall be defined on the certificate given to the employee. Employees shall give the award to the division HR technician for processing. The division's HR technician shall provide the division director with a monthly report of all on-the-spot awards.

2. **Incentive Awards**Awards greater than \$50 will be given at the discretion of the division director. Division managers can recommend individual or group awards based on worthy acts. Final approval of all incentive awards between \$50 and \$500 will be at the discretion of the division director. Awards in excess of \$500 must be approved by the division director and the department's executive director.
3. **Award Documentation**All awards of \$100 or more must be documented, evaluated and approved by the division director. A copy of the award documentation will be maintained in the employee's personnel file.
4. **Sick Leave Incentive Awards**--when authorized by the executive director, the department will participate in a sick leave incentive program to reward employees who do not use sick leave. This program is only in effect during calendar years specifically authorized by the executive director. The incentive award shall be \$50 per quarter up to a total of \$200 per calendar year. An additional \$50 shall be paid to those employees who have used no sick leave in the entire calendar year. The maximum an employee may receive is \$250 per calendar year. Employees working less than full-time are eligible for awards at a prorated amount.
 - a. Sick leave incentive awards shall be calculated at the end of pay periods 6, 13, 19 and

26. New employees are not eligible to receive an award for the quarter in which they are hired or the annual award.

b. Employees transferring to the department from other state departments will be eligible for the award for the entire year if they did not use sick leave in their previous position.

c. Employees working less than full time will be eligible for the award on a prorated basis calculated on their average hours worked per calendar year.

d. Employees must be in a position that receives benefits to be eligible for this award. Employees who work in positions without benefits and then become career-service employees, are not eligible for awards for the quarters in which they did not receive benefits or for the annual award.

e. Employees who use annual leave in lieu of sick leave will be eligible for this incentive program.

f. Employees cannot request leave adjustments at the end of the year in order to qualify for this award.

g. Payments will be made once per year, in January or February, after year-end leave usage reports have been reviewed. An employee must be employed by the department at the end of pay period 26 to be eligible to receive a sick leave incentive award.

5. **DAS Outstanding Employee Award** The division will participate in the department's outstanding employee awards program. In March of each year, the division will select one employee as the recipient of their award. The award recipient receives a certificate during the annual DAS awards ceremony and a \$500 incentive award.

6. Incentive Award Restrictions:

a. Employees must have a successful performance review in the last review period to be nominated for an incentive award.

b. Individual awards shall not exceed the parameters established by DHRM Rule R477-6-5.

8. Alternative Awards:

The division director may authorize the following alternatives to cash awards:

a. A maximum of two days of administrative leave.

b. Certificates of achievement.

SAMPLE POLICY NO. 3

Purpose:

To define the policy for incentive awards given to division employees.

Policy:

1. **Incentive Awards** Awards up to \$500 will be given at the discretion of the division director. The division director will recognize employees for exceptional performance and other worthy acts. Awards in excess of \$500 must be approved by the division director and the department's executive director.
2. **Award Documentation** All awards of \$100 or more will be documented and approved by the division director. A copy of the award documentation will be maintained in the employee's personnel file.
3. **Sick Leave Incentive Awards** --when authorized by the executive director, the department will participate in a sick leave incentive program to reward employees who do not use sick leave. This program is only in effect during calendar years specifically authorized by the executive director. The incentive award shall be \$50 per quarter up to a total of \$200 per calendar year. An additional \$50 shall be paid to those employees who have used no sick leave in the entire calendar year. The maximum an employee may receive is \$250 per calendar year. Employees working less than full-time are eligible for awards at a prorated amount.
 - a. Sick leave incentive awards shall be calculated at the end of pay periods 6, 13, 19 and 26. New employees are not eligible to receive an award for the quarter in which they are hired or the annual award.
 - b. Employees transferring to the department from other state departments will be eligible for the award for the entire year if they did not use sick leave in their previous position.
 - c. Employees working less than full time will be eligible for the award on a prorated basis calculated on their average hours worked per calendar year.
 - d. Employees must be in a position that receives benefits to be eligible for this award. Employees who work in positions without benefits and then become career-service employees, are not eligible for awards for the quarters in which they did not receive benefits or for the annual award.
 - e. Employees who use annual leave in lieu of sick leave will be eligible for this incentive program.

f. Employees cannot request leave adjustments at the end of the year in order to qualify for this award.

g. Payments will be made once per year, in January or February, after year-end leave usage reports have been reviewed. An employee must be employed by the department at the end of pay period 26 to be eligible to receive a sick leave incentive award.

4. **DAS Outstanding Employee Award** The division will participate in the department's outstanding employee awards program. In March of each year, the division will select one employee as the recipient of their award. The award recipient receives a certificate during the annual DAS awards ceremony and a \$500 incentive award.

5. Incentive Award Restrictions:

a. Employees must have a successful performance review in the last review period to be nominated for an incentive award.

b. No more than one incentive award shall be granted to an employee in a fiscal year for the same act.

c. Individual awards shall not exceed the parameters established by DHRM Rule R477-6-5.

6. **Alternative Awards** The division director may authorize the following alternatives to cash awards: a maximum of two days of administrative leave or certificates of achievement.